

The State of Utah

Department of Natural Resources

Division of Oil, Gas & Mining

ROBERT L. MORGAN Executive Director

LOWELL P. BRAXTON Division Director

OLENE S. WALKER

GAYLE F. McKEACHNIE Lieutenant Governor

| Representativ | es Present During the Inspection: |
|---------------|---|
| OGM | Steve Demczak Environmental Scientist III |
| Company | Kit Pappas Environmental Coordinator |

Inspection Report

| Permit Number: | C0070020 |
|------------------|--------------------------|
| Inspection Type: | PARTIAL |
| Inspection Date: | Friday, May 21, 2004 |
| Start Date/Time: | 05/21/2004 12:00:00 PM |
| End Date/Time: | 05/21/2004 3:00:00 PM |
| Last Inspection: | Thursday, April 08, 2004 |

Inspector: Steve Demczak, Environmental Scientist III

Weather: Sunny, 50's

InspectionID Report Number: 292

Accepted by: dhaddock 06/08/2004

Permitee: HIDDEN SPLENDOR RESOURCES INC Operator: HIDDEN SPLENDOR RESOURCES INC

Site: HORIZON MINE

Address: HC 35 BOX 370, HELPER UT 84526

County: CARBON

Permit Type: PERMANENT COAL PROGRAM

Permit Status: ACTIVE

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|----|-----|----|---|----|----|---|---|----|--|
| | | | | | | | | | |

| 1,998.99 | Total Permitted |
|----------|-----------------|
| 9.50 | Total Disturbed |
| | Phase I |
| | Phase II |
| | Phase III |

Mineral Ownership

Types of Operations ✓ Federal ✓ Underground Surface State County Loadout **✓** Fee Processing Other Reprocessing

Report summary and status for pending enforcement actions, permit conditions, Divison Orders, and amendments:

Permit Condition #2 states that Hidden Splendor Resources, Inc will update the appropriate sections of the mining and reclamation plan with the permit transfer information by August 1, 2003. The first submittal was on September 30, 2003, task #1747 and was found to be deficient. This second submittal from Hidden Splendor has a new task #1836. The Division conditionally approved this amendment on April 7, 2004.

No violations.

Inspector's Signature

Steve Demczak, Environmental Scientist III

Inspector ID Number: 39

1594 West North Temple, Suite 1210, PO Box 145801, Salt Lake City, UT 84114-5801 telephone (801) 538-5340 facsimile (801) 359-3940 TTY (801) 538-7223 www.ogm.utah.gov

Note: This inspection report does not constitute an affidavit of compliance with the regulatory program of the Division of Oil, Gas and Mining.

Date

Monday, June 07, 2004

Permit Number: C0070020 Inspection Type: PARTIAL

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REVIEW OF PERMIT. PERFORMANCE STANDARDS PERMIT CONDITION REQUIREMENTS

- Substantiate the elements on this inspection by checking the appropriate performance standard.
 For COMPLETE inspections provide narrative justification for any elements not fully inspected unless element is not appropriate to the site, in which case check Not Applicable.
 - b. For PARTIAL inspections check only the elements evaluated.
- 2. Document any noncompliance situation by reference the NOV issued at the appropriate performance standard listed below.
- Reference any narratives written in conjunction with this inspection at the appropriate performace standard listed below.
 Provide a brief status report for all pending enforcement actions, permit conditions, Divison Orders, and amendments.

| | | Evaluated | Not Applicable | Comment | Enforcement |
|-----|---|-----------|----------------|----------|-------------|
| 1. | Permits, Change, Transfer, Renewal, Sale | | | | |
| 2. | Signs and Markers | | | | |
| 3. | Topsoil | ✓ | | ✓ | |
| 4.a | Hydrologic Balance: Diversions | ✓ | | V | |
| 4.b | Hydrologic Balance: Sediment Ponds and Impoundments | V | | ✓ | |
| 4.c | Hydrologic Balance: Other Sediment Control Measures | ~ | | ✓ | |
| 4.d | Hydrologic Balance: Water Monitoring | ✓ | | ~ | |
| 4.e | Hydrologic Balance: Effluent Limitations | | | | |
| 5. | Explosives | . 🔲 | | | |
| 6. | Disposal of Excess Spoil, Fills, Benches | | | | |
| 7. | Coal Mine Waste, Refuse Piles, Impoundments | | ✓ | | |
| 8. | Noncoal Waste | ✓ | | ✓ | |
| 9. | Protection of Fish, Wildlife and Related Environmental Issues | | | | |
| 10. | Slides and Other Damage | | | | |
| 11. | Contemporaneous Reclamation | | | | |
| 12. | Backfilling And Grading | | | | |
| 13. | Revegetation | | | | |
| 14. | Subsidence Control | | | | |
| 15. | Cessation of Operations | | | | |
| 16. | a Roads: Construction, Maintenance, Surfacing | | | | |
| 16. | b Roads: Drainage Controls | | | | |
| 17. | Other Transportation Facilities | | | | |
| 18. | Support Facilities, Utility Installations | ✓ | | ✓ | |
| 19. | AVS Check | | | | |
| 20. | Air Quality Permit | | | | |
| 21. | Bonding and Insurance | | | | |
| 22. | Other | | | | |

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3. Topsoil

The topsoil pile was inspected with no signs of wind or water erosion. Vegetation was growing on the pile.

4.a Hydrologic Balance: Diversions

The diversions were spot-inspected and were recently cleaned out. The diversions would function as designed.

4.b Hydrologic Balance: Sediment Ponds and Impoundments

Horizon has one sediment pond. This pond did contain some water but is unlikely to discharge this spring. No hazardous conditions were noticed during the inspection.

4.c Hydrologic Balance: Other Sediment Control Measures

Several silt fences were inspected and complied with the performance standards.

4.d Hydrologic Balance: Water Monitoring

The permittee was in the process of taking second quarter water monitoring samples.

8. Noncoal Waste

The mine site was generally clear of noncoal waste material.

18. Support Facilities, Utility Installations

No new mine facilities have been constructed since the last inspection.